

CONFIDENTIAL

October 14, 1967

GROUP: T

EXCLUDED FROM AUTOMATIC DOWNGRADING
AND DECLASSIFICATIONPost Office Box 6788
Fort Davis Station
Washington, D. C. 20020

Attention: [] Contracting Officer

25X1

Decision:

This is to inform you of a potential overrun status on Task Order No. 16 of Contract [] of September 30, 1967, there is [] of uncommitted funds remaining in the contract. Our estimate of our costs to complete this equipment in accordance with our design approach is approximately [] see attachment. 25X1

In addition, at a recent conference with your technical personnel it appears that the unit ordered from [] will not meet your requirements. Specifically our design does not provide a capability for pre-setting the reference directly to a Non-Zero value. To provide this pre-set feature will require a change in our purchase order to [] who are providing the DIG reading head and associated electronics. The costs to provide this feature is [] 25X1

To avoid overrunning the contract we have stopped work awaiting further instructions from you. We have also instructed [] to stop work pending resolution of the pre-set feature requirements. 25X1

The pacing item on delivery of the unit is the scale being manufactured by [] in as much as these scales are independent of the readout electronics, delivery will not be affected by the method you choose for delivery. [] informs us that they can deliver in 60 to 90 days after receipt of authorization to resume work. Our delivery to you can be 15 days after receipt of the DIG units from [] 25X1

Therefore, we request additional funds as follows depending upon your decision:

Option 1 Estimated Cost to complete
Less Funds remaining
Funds Required

25X1

Option 2 Estimated Cost to complete
Change of [] order
Sub-total
Less Funds Remaining
Funds Required

25X1

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are awaiting further instructions from you on the continuance of this Contract on either of the options. If you have any questions of a contractual nature please contact the undersigned. If you have any questions of a Technical nature you may contact [redacted]

25X1

Very truly yours,

[redacted]

25X1

Manager, Contract Administration Department

JEH/sc

Enclosures: Cost Estimates as stated

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